REGIONAL DEMOCRATIC WHIP

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CAUCUS



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The Honorable Henry A. Waxman Chairman House Committee on Energy and Commerce 2125 Rayburn House Office Building Washington, D.C. 20515

The Honorable Ed Markey Chairman House Energy and Environment Subcommittee 2125 Rayburn House Office Building Washington, D.C. 20515

Dear Chairman Waxman and Chairman Markey:

I am personally very grateful for your leadership in working to craft a climate change bill that will have the strong support of Democrats on this Committee. While I am not a Member of the Energy and the Environment Subcommittee, I wanted to share a few key policy priorities with you to consider as you continue to draft the American Clean Energy and Security Act of 2009.

I am particularly concerned about the impact this legislation may have on low- and moderate-income Americans, and I think it is imperative for our Committee to produce legislation that fully offsets the higher energy costs for these families. I am well aware that the Committee intends to provide significant resources to local distribution companies (e.g., utilities) for the purpose of consumer and business relief.

This is an important, but insufficient first step. For instance, offsetting only the costs associated with consumers' utility bills does not account for higher costs in other forms of energy and energy-related products. For low- and middle-income households, roughly one-half of their higher energy prices would still be affected unless an additional component is added to the local distribution centers (LDCs). Additionally, there is no assurance that funds provided to local utility companies across the country will reach all the low- and moderate-income consumers equally and effectively.

Accordingly, I respectfully urge you to include set aside funds in the legislation, which can be used to provide an energy rebate or refund for low-, moderate-, and middle-income consumers. I understand this can be provided on a timely and transparent manner in which these rebates would appear in workers' paychecks and through states' electronic benefit transfer (EBT) systems for

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MIDLOTHIAN OFFICE: 3235 WEST 147TH STREET MIDLOTHIAN, ILLINOIS 60445 (708) 385-9550 (708) 385-3860 (FAX) very low-income households who are outside of the tax system. In my view, it is absolutely essential that this Committee's climate change bill fully offset all higher energy prices resulting from the legislation for the most vulnerable Americans, including those in the bottom income quintile. I believe we should also extend the same full consumer protection to moderate and middle-income households to the degree that we are able.

Funds provided to the utilities should be seen as a temporary mechanism to assist consumers and businesses until they have adjusted to the higher energy costs. These funds to the LDCs should then decline over a 10-year period, and those same funds should then be used to increase the energy tax rebate provided through the paycheck and EBT systems. This step would ensure that the legislation provides for most of the consumer relief, over time, through the effective energy rebate and that we are not leaving ourselves vulnerable to the attack that we are only offsetting part of families' energy costs.

Additionally, I am concerned with the availability of funds for the development of innovative new technologies and companies for minority and women entrepreneurs who have, historically, been overlooked. It is imperative that funding resources, either through legislative language or new programs, are established that would ensure that minority and women business owners and contractors are able to gain access to capital. This would allow them to provide new job opportunities and economic development in predominately low-income communities in order to make our country more energy efficient, as well as help lift our nation out of the current economic recession.

Finally, as the Committee looks to improve the energy efficiency of Americans' homes and businesses, I respectfully urge you to consider providing assistance for retrofitting federally subsidized housing units. Millions of struggling families, including many in my district, live in federally-funded public or privately-owned housing. Many of these housing units are quite old and are in serious need of modernization and upgrades to their energy systems. Dedicating some of the resources from auctioning off emissions permits to improving the energy efficiency of this housing stock would both help the families who live there and also produce huge savings for the federal government.

I would be happy to discuss these priorities with you at your earliest convenience and I thank you in advance for considering my views as you shape this critical piece of legislation.

Bobby Rush

Member of Congress

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